# Level 1: Finance for Women

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**Table of Contents**

Level 1: Finance for Women ..... 1

Introduction ..... 3

Step 1: Financial Stability..... 6

Step 2: Debt ..... 13

Step 3: Asset Building (Saving) ..... 19

Step 4: Financial Liberty ..... 22

## Introduction

There is nothing more attractive and empowering than a woman who has her **stuff** together when it comes to her finances. Independence is a gift not everyone experiences—especially women. Throughout the centuries, many women have been misguided into believing it's natural and okay to financially depend on others (e.g., parents, spouses, partners), but I'm not sure why. Not being financially independent partially limits your freedom. If you remain dependent on others, you will never truly be the leading driver of your life; you won't be calling the shots, and you'll remain a dependent leech on others' finances.

A financially independent woman has the following characteristics (and more):

1. She has her own car (if she needs one) and can afford the maintenance bills.

2. She has her own place to live and can afford the utilities and other bills.
3. She has her own career or job—if she chooses or needs to work.
4. She saves for her future (retirement) consistently (monthly, weekly, biweekly, etc.).
5. She has her own stuff and doesn't need others to buy things for her.
6. She remembers that money does not define her.
7. She lives within her means.

Some women still have others who provide for them, but if they have these seven characteristics in place, they are still financially independent.

One reason I'm writing this book is that there aren't a lot of financial books written for women by female authors under the age of 25. It's important that women of all ages—both young and older—are given applicable information for every stage of life. You don't have to be 30, 40,

or 50 to start tending to your finances; you can start today. One thing I've learned: anyone—at any age—can be wise with their finances.

I'm happy to introduce the second book in the

**Level 1: Finance** series. This book is for anyone who identifies as a woman (and if you're not a woman and want to read it, I'm not going to stop you). I'll take you through four basic steps to set yourself up to financially flourish. If you're a woman and clueless about finance, this is a superb foundational guide to help you succeed. Remember the formula: **Application + Study = Success.**

Well, let's get started.

## Step 1: Financial Stability

### Education or No Education?

**Myth:** You won't be able to find a good job without an education.

Today, having a degree can seem mandatory to get a job—but is it absolutely necessary? No. I know people who have excellent jobs with high salaries without a college degree. Without a degree, you may have to work your way up from a lower position, but the rewards can pay off in the long run (though not always). Many people without degrees have great jobs and careers; they get by through hard work, certifications, classes, and valuable, practical experience. Remember: education can help in your job or career, but it isn't necessary for financial success. If you choose the no-degree path, be proud and make it work to your benefit.

Does it help to have a college degree? Yes. You'll always know that not having a degree likely won't hinder you in obtaining a position. It's proven that higher education helps in the long run; people with more education often have higher lifetime earnings—the more education you have, the more you tend to get paid.

**Side Note:** Sales is a great field for anyone with the heart, mind, and determination for it. If you're in sales, income will never be a problem—as long as you're diligent; there are usually no income limits. Education is also usually not required to enter the field.

**Get a Job/Start Your Career**

It's important to have your own money. Even if you don't have to work and are being provided for, it's still important to have money you can call your own. Women who have their own money have a different attitude; they emanate independence, which correlates to higher self-confidence.

The first step in deciding what job or career to pursue is to look at:

1. Your current skills
2. Your current education
3. Your interests

After analyzing these areas, determine the salary or pay rate you will require from a potential employer. Don't sell yourself short. Do your research and find out what a woman with your background should be getting paid in your field. If you already have a job and have never researched your market value, do it today. Many women are underpaid because they never do the research, and some don't have the guts to ask for what they deserve. It's okay to ask; the worst answer you'll get is "no." Also find out what others—especially men—are paid in your position to ensure you're being paid equally.

Choose an opportunity you'll enjoy, in an environment you enjoy, with people who aren't toxic. One of the worst experiences is working for

a company you hate. Life is meant to be enjoyed, and a full-time job takes a considerable amount of time (roughly 25% or more) of our daily lives; make sure you enjoy your workplace.

A job offers independence and an outlet to express your talents and skills, and it can provide financial stability—if you live within your means and handle your money wisely. Consistent income creates multiple opportunities to improve your financial status and will help with the other three steps in this book.

**Establish a 3–6 Month Emergency Fund**

If there's one thing I've learned to value, it's an emergency fund. An emergency fund provides for you when income stops or when emergencies pop up (e.g., car accident, hospital bill). Some financial gurus suggest starting with a $500–$1,000 emergency fund to cover surprise expenses, but that range doesn't account for emergencies like losing a job or a loss of income. It's essential to have something set aside so you

don’t have to worry about the financial side of job loss.

Most of us don’t want to lose our jobs—that’s stressful enough—but what’s even more stressful is having no job and nothing in savings to pay bills on time. Here’s what I suggest: instead of a $500–$1,000 fund, prepare a **3–6-month emergency fund** equal to **3–6 months of your living expenses**. Let this be your first financial goal if you don’t already have it. Even if you never experience a job loss, this fund will benefit your financial peace of mind.

**Side Note:** Only use emergency funds for **valid emergencies**, not shopping trips.

**Live Below Your Means**

In a world where consumerism is rampant, living below your means is foreign to many. With a constant supply of new things to buy, it’s challenging to stay within budget. Ads and influencers push purchases nonstop.

That’s still not an excuse. Many things we buy (outside of necessities) aren’t necessary, and

many are poor investments. I wouldn't be surprised if you have clothing you've never **worn**, or simply too many clothes—this is over-shopping. Fast food and eating out all the time can also be frivolous; I've been guilty of this myself since I'm a foodie. I'm not saying the luxuries we enjoy are bad, but if we invest too much (the threshold is different for everyone) in meaningless luxuries, we'll never have anything left to afford the things we actually need.

I use the **EveryDollar** app to create and keep track of my monthly budget. Sometimes I budget months ahead to stay on track for my financial goals. There are other apps such as Mint. Whatever you do, use a tool to help you consistently budget. Budgeting will turn financial woes into wins. It also makes you more aware of purchases. I log each purchase daily or several times a week to stay on top of my spending.

Commit to living below your means to ensure you always have enough for what you need. It's

also a demonstration of self-discipline—essential when you're improving your financial status.

**Side Note:** If your car is good and working well, you probably don't need to buy another one. Be faithful and grateful until you're financially ready for the next. If you're in debt or buried in bills, buying a beautiful car won't solve anything.

Applying for another credit card to max out won't help either. Think before you act when making purchases or applying for more credit. I suggest using credit cards for specific purposes only—which leads to Step 2.

## Step 2: Debt

When I graduated college, I had a car note and student loans—neither exciting.

Thankfully, I paid off my car note the same year I graduated, and the student loans will be paid off soon enough because I have a plan. Debt can make or break you, and there are types you should avoid. Let's discuss which.

**Credit Card Debt**

My laptop gave out during my final weeks as a college senior. A friend loaned me theirs for the rest of the semester, but I couldn't keep relying on that. Money was tight because I was transitioning from work as a music teacher and private tutor into the corporate world. For about half a year, I was barely working part-time and desperately needed a laptop to apply for jobs and write. Going to the library daily or borrowing a laptop wasn't an option. So, I bought a new

laptop with a credit card—but I made sure it was paid off before any interest kicked in.

I'm sharing this because I get it: credit cards come in handy sometimes. Sometimes we're low on funds (that are on the way), and we need to **make do** for now. I needed a laptop, so I got my first credit card to get one.

Some financial gurus are completely against credit cards, but honestly, they aren't evil if you use them to your advantage. There are perks (travel points, cash back, etc.). The key is to avoid balances you can't immediately pay back.

After having a credit card, I understand how easy it is to slide into debt without thinking; when you purchase with a credit card, you don't **feel** the purchase.

Remember: credit cards aren't necessary. If you get one, it should have a purpose that adds real value. How you use credit determines its impact, but credit cards shouldn't add debt or stress.

If a credit card fits your situation, ensure the following:

1. Use it for **necessary** items.
2. Keep utilization below **30%**. For example, with a $10,000 limit, don't exceed $3,000— or $6,000 across two cards totaling $20,000.
3. Set up **automatic payments** if you'll carry a balance so you never miss a payment (misses can stay on your record for years). Autopay is a gift—use it.

**Important Note:** Monitor your credit score and history to ensure only you are using your information. Identity theft is real and can happen to anyone.

**Property**

Having your own place is a gift, and being able to pay the bills on time is another. The question: should you own or rent? I don't advocate for either across the board. I've met older people

who happily rent and younger people who happily own. It's up to you. Some don't like the responsibilities of owning, and that's okay. Whatever you decide, keep in mind:

1. Your rent or mortgage—**including utilities**—should be **25% or less** of your monthly **after-tax** income.
2. Property can offer opportunities to earn extra income and build net worth.

**Car Notes**

I didn't buy my first car with all cash; I took out a five-year loan. I didn't want five years of payments, so I paid it off in three (the same year I graduated). Car notes aren't bad **if you can afford them**, but there's nothing like the freedom of paying cash. If you take a car loan, plan to pay it off early by making larger and/or multiple payments. You'll save interest and free up your finances. I **love** not having a car note but having one isn't the end of the world when it's a small percentage of your income.

**Recommendation:** Keep the monthly car payment at **5% or less** of your total monthly income. That way, your housing (with utilities) plus car note stays at **30% or less** of income. Keep expenses low.

**Student Loans**

The best way to pay off student loans quickly is to have **consistent, sustainable income**. After graduation, lenders usually give a **6–12-month** grace period before payments start. Use this time to make interest payments (if possible) and to devise a plan to secure consistent income (if you don't already have it). Keys to paying off loans early:

1. Obtain an opportunity that provides consistent income.
2. Set a payoff deadline/goal date.
3. Devise a plan (e.g., the monthly payment needed to hit your goal).
4. Set up automatic payments.
5. Pay **more** than the minimum.
6. Don't stress—work the plan.

7. Pay them off early.

## Step 3: Asset Building (Saving)

Once you're financially freed up (paying off debt, increasing income, and managing money better), give more attention to **asset building** (saving). This is the time to increase your net worth and strengthen your financial freedom. It's also a great time to give more to others who have less.

One key reminder about Step 3: **Debt isn't bad if you can afford it.** Some people have liabilities but still maintain a positive net worth due to savings, investments, and cash. Be different: have the power to buy your way out of debt with your own money—if you choose to take on liabilities. However, if you've been knee-deep in debt (or still are), my advice: avoid getting knee-deep again.

**Save 15%+**

When you have debt, focus on paying it off instead of saving large sums. Once you're out of debt, save a **minimum of 15%** (preferably more)

of your entire income. This could be for a future house or car—or simply retirement.

**Save Up for Travel**

It's easy to wait and wait to travel. But it's bolder to save and actually **go**.

If you plan ahead, you can experience the places you've dreamed of.

1. Write down the destination.
2. Determine your target dates.
3. Determine the total trip cost.
4. Create a monthly/weekly savings plan.
5. **Go!**

**Learn About Investing**

I'm no expert, but I understand compound interest. When you invest in funds that yield, say, 10%, you'll grow money faster.

If you're unfamiliar with investing, teach yourself. Read books, watch videos, and attend free

seminars online or in person. You only need the basics to start; learn as you go.

## Step 4: Financial Liberty

**The Benefits of Being Financially Healthy**
It seems obvious how integrating the following will benefit you—financially, mentally, and emotionally:

1. Saving
2. Investing
3. Staying out of debt
4. Maintaining financial stability

Yet many of us choose not to work toward them.

Choose financial freedom. Choose a life free from financial worry. Choose a life free from owing others (companies, people, etc.).

**Benefits of Saving**

1. Money for emergencies
2. Money for retirement so you don’t have to work your entire life

3. Peace of mind
4. Increased self-respect from taking care of yourself financially

**Benefits of Investing**

1. Let your money work for you
2. Reduce the amount you must personally save thanks to compound growth
3. Learn a skill that benefits your present and future

**Benefits of Being Debt-Free**

1. Eliminate financial pressures that come with owing money
2. Increase financial mobility
3. Reduce stress

**Benefits of Having Financial Stability**

1. Your life won't be negatively impacted by finances on a regular basis
2. Greater freedom

3. Peace of mind

**Owe No One**

Being debt-free is financial freedom. All your net income is yours. I know how it feels to be debt-free and how it feels to have debt; the first has always felt best. Most people today aren't debt-free. As women, let's set a new standard be financially independent **and** debt-free.

**Let Your Money Work for You**

If you're late to saving for retirement, learn about investing ASAP. Meet with a financial advisor and start today. It's never too late, but the sooner you start, the sooner you reach your goals. Mutual funds can be a good way to diversify, play it safer, and earn a decent return. If you have more time and can tolerate risk for higher returns, look into stocks.

**Instill Healthy Financial Habits**

You can read all the books and attend all the seminars, but without **application**, the knowledge won't change your life.

Today, decide to apply what you learned here and establish healthy financial habits. What one to five takeaways will you implement **today**? Jot them down and act now.

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